ACTION TAKEN

BUILDING COMPETITIVENESS

A White Paper on Economic Development

Province of Nova Scotia

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Action Taken as of
October 19, 1984

Nova Scotia's White Paper on Economic Development, "Building Competitiveness", was released on February 10, 1984 by Premier John Buchanan and Development Minister Roland Thornhill. The White Paper lays out a framework for action to guide economic growth and development in Nova Scotia for the next number of years. The White Paper places the private sector in the lead role for generating Nova Scotia's economic success. It also identifies 35 government initiatives in support of private sector activity. To ensure that action is taken on these initiatives, an Implementation Committee of Ministers was formed.

The White Paper Implementation Committee consists of Roland J. Thornhill, Minister of Development (Chairman), Ronald S. Russell, Chairman of the Management Board, and Milne C. Pickings, Chairman of the Resource Development Board of Policy Board. Actual responsibility for implementation of White Paper initiatives lies with individual departments, in some cases with several acting together. The Implementation Committee's role is to ensure that action occurs expeditiously and in a coordinated manner.

A great deal has been accomplished since release of the White Paper. Action has been taken on 31 of the total of 35 initiatives. In some cases, implementation is complete because the initiatives called for concrete steps - for example, the appointment of a coordinator of regulations. In other cases, implementation has begun a process that over time will achieve the desired objectives - for example, developing a pilot project as a first step towards increasing the emphasis on cooperative education. Because many of the initiatives fall into the latter category, it will take some time for the full impact of the changes flowing from the White Paper to be felt.

This report has been prepared by the Implementation Committee to show the current status of government actions promised in the White Paper.

IMPLEMENTATION STATUS OF INDIVIDUAL INITIATIVES

The remainder of this report lists the specific initiatives, by chapter, in the White Paper and indicates what action has been taken to date.

CHAPTER IV - BUILDING ON HUMAN RESOURCE STRENGTHS

1. Strengthening the Work Force

1. Improved coordination of existing training activities will be achieved through the combination of vocational and technical training functions of the Department of Education. To direct the department's focus on these key activities, they will be placed under the responsibility of a Deputy Minister of Vocational and Technical Training. (p. 18)

- **Deputy Minister of Vocational and Technical Training appointed May 10**
- **Reorganization of resources in Department of Education to improve coordination of training activities announced September 27**

2. To strengthen the research and planning function within the Department of Labour and Manpower, the position of Deputy Minister of Manpower will be created. (p. 18)

- **Deputy Minister of Manpower appointed May 10**
- **New departmental organization and key personnel announced September 27**

3. A Human Resources Development Committee consisting of senior officials of Education, Labour and Manpower, Development, Policy Board, and Social Services will be established to coordinate provincial manpower policy and program delivery. (p. 19)

- **Now operating**

4. The provincial government will promote and assist with the design and implementation of manpower planning systems within the private sector. (p. 19)

- Manpower Planning Coordinator position being created within the new organizational structure at Labour and Manpower

5. In conjunction with the private sector, the provincial government will place particular emphasis on cooperative education programs. (p. 19)

- Now in progress. A coordinator of Cooperative Education has been appointed by the Department of Education to develop a pilot project

6. The Provincial Manpower Board will be asked to report to government on ways to increase industry's and labour's input into provincial training activities. In particular, the Board will be asked to consider the benefits of establishing a network of regional advisory committees throughout Nova Scotia to strengthen the ties between educators and the private sector. To further its ability to advise government on manpower issues, the Deputy Minister of Manpower will provide research and analytical support to the Provincial Manpower Board. (p. 19)

- Discussions have been initiated with the Provincial Manpower Board concerning its future role

7. The Government of Nova Scotia will direct special attention to the employment problems being experienced by young people. (p. 20)

- To be implemented within Labour and Manpower's new organizational structure
- Student internship component for university students introduced to the Provincial Employment Program operated by Department of Development in May

- Youth Entrepreneurial Skills Program established by Department of Development in April, 1984 for students and non-students

8. To coordinate youth-oriented activities of the provincial government, a youth initiatives office will be established in the Department of Labour and Manpower. (p. 20)

- Announced September 27

2. Emphasizing the Management Function in Nova Scotia

1. The government will proceed with initiatives to further promote management development. (p. 20)

- Initiatives are underway to develop co-operation between the ongoing activities of the Department of Development and the new structure at the Department of Labour and Manpower

2. In addition, the Nova Scotia government will continue to encourage the federal government to sign a joint agreement on management development to provide funds for the promotion and development of management training courses in Nova Scotia. (p. 21)

- Negotiations are underway and delivery mechanisms are being identified

3. The government of Nova Scotia will place greater emphasis on the provision of advisory services to managers and will adapt these services to meet the changing needs of specific firms. (p. 21)

- Action to be taken

4. The government of Nova Scotia will further support self-help efforts for management development in the business community. (p. 21)

- Action to be taken

3. Innovation: Using Technology Effectively

1. Since Nova Scotia realizes that the tax system has a major impact on innovation, it is the intention of this government to extend a tax credit for scientific research in industry to the provincial portion of corporation tax. Nova Scotia also intends to amend its Tax Act to extend a sales tax exemption to machinery and equipment used in research and development. (p.22)

- Announced in Budget Address, March 23

2. The provincial government will expand those programs, financial and tax incentives, and services that encourage technological innovation in response to demand from the private sector. (p. 22)

- Action to depend on outcome of committee to review programs of assistance to business

3. The Nova Scotia government is also working with the federal government to cost-share programs and fund facilities that encourage innovative development in manufacturing and service industries. (p. 22)

- Discussions in progress on a Subsidiary Agreement on Technology Transfer and Industrial Innovation under the Canada-Nova Scotia Economic and Regional Development Agreement.

4. The Nova Scotia government will continue to support the Nova Scotia Research Foundation Corporation. In addition, the Province is designating NSRFC as the centre responsible for advising the government on scientific research and technological innovation in relation to development policies. (p. 23)

- Increased support announced in Budget Address, March 23
- Regular communications between Research Foundation and Department of Development senior staff have been initiated

5. Methods of increasing the flow of scientific and technological information among businesses and research institutions are being developed. (p.23)

- The Department of Development is establishing networks to enhance the flow of ideas among the private sector, research and educational institutions, and government. These networks involve the ocean industry sector and the field of microelectronics technology.

CHAPTER V - IMPROVING THE BUSINESS ENVIRONMENT

1. Rewarding Success

1. The government of Nova Scotia will establish a Task Force on Investment and Taxation to carry out a comprehensive review of all tax levers (provincial and municipal) available to stimulate investment. (p. 24)

- Announced May 9 and currently receiving briefs and comments

2. Regulatory Reform

1. The government is creating an office of the coordinator of regulations that will report to Policy Board. The Coordinator will advise government on guidelines for public information and consultation and will monitor the regulatory system to ensure that these guidelines are met. (p. 25)

- Coordinator appointed June 7

2. The government intends to consolidate and index regulations and then proceed department by department to undertake a systematic review of existing regulations. (p. 25)

- Process is in progress under direction of coordinator

3. The government proposes to report periodically on its regulatory reform program. (p. 25)

- To be ongoing as a result of the Coordinator's activity

3. Role of Government in the Economy

1. The Management Board will be instructed to examine, on a continuing basis, government "in-house" services that could be purchased from the private sector. (p. 27)

- Monitoring system has been put in place to begin examining government in-house services

2. An information program will be developed that will inform all public sector buyers and potential local suppliers of requirements and capabilities on both sides. The government will also examine the purchasing of all publicly supported bodies in Nova Scotia with a view to harmonizing purchasing and tendering practices, making access easier for small businesses and stimulating new local sources of production and supply. (p. 27)

- Purchasing Guide to Nova Scotia's public sector market is being published
- Monitoring system has been established to ensure Nova Scotia goods and services are bought whenever possible

4. Expanding the Emphasis on Trade

1. The Minister of Development is establishing a Provincial Ministers' Committee on Trade including initially the Ministers of Fisheries, Agriculture and Marketing, and Lands and Forests. A committee of senior officials from the same departments will act as an advisory group to the Ministers' Committee. (p.27)

- Ministers' committee established March 23
- A provincial trade strategy currently being developed

2. Recognizing that there is considerable scope for joint action in trade promotion, the Nova Scotia government is actively negotiating a federal/provincial subsidiary agreement on trade and marketing. (p. 28)

- Negotiations continuing

3. To expand the interaction between the private sector and government, Voluntary Planning will be asked to provide input on an on-going basis to the Provincial Ministers' Committee on Trade. (p. 28)

- Voluntary Planning Committee established on October 4

5. <u>Reorienting Government Assistance to Business</u>

1. The government has set out the following policy guidelines for provincial support to business:

(1) The potential competitiveness of a firm is the most important determinant of eligibility for assistance.

(2) Assistance programs will be available in all economic sectors. It will not be denied because of an advance judgement by government that a particular sector or a particular industry grouping is incapable of growth and development.

(3) Access to assistance programs will not be affected by the size of the firm making the application.

(4) Government assistance will be limited to being short-term in nature.

(5) Government assistance will be designed so that maximum possible use is made of the private financial marketplace.

(6) There should be a high likelihood of public payback within a relatively few years.

A special committee will be established by the Minister of Development to review existing provincial and municipal programs to business in light of the guidelines. (pp. 28-30)

- Committee established October 2

6. Beyond Direct Financial Assistance

1. The government is committed to strengthening its advisory services function to improve its capacity to assist in business opportunities and problem areas. (p. 30)

- An Industrial Benefits Office is being established in Sydney
- The Nova Scotia Research Foundation Corporation is expanding its technical information services by opening a field office in Truro

CHAPTER VI - WORKING TOGETHER

1. Cooperation Among Governments

1. The Nova Scotia government will seize every opportunity to urge the federal government to show visible evidence of its commitment to regional development throughout Canada. In particular, Nova Scotia will seek to have regional targets for each department specified, to have small and medium-sized businesses given easier access to federal regional and national programs, to tailor federal initiatives to meet the needs of specific regions, and to have administrative changes made that would allow decentralized approval authority of applications under programs. (p. 31)

- Emphasis continues to be placed on the importance of regional development in all discussions with the federal government

2. Consultation Among Business, Labour and Government

1. To facilitate this, the government will encourage and assist Voluntary Planning and other business and labour groups to offer advice in advance of government actions. (p. 32)

- Process has begun with VP and private sector involvement in the White Paper process
- In addition, VP's ongoing advice continues to be put forward to government on a variety of issues.

2. The government requests that Voluntary Planning monitor progress on the development strategy and report to government on its implementation and refinement over time. (p.32)

- Voluntary Planning accepted role on April 4

3. A Partnership Between Labour and Management

1. The government of Nova Scotia will assist in the promotion and development of consultative mechanisms between labour and management which will improve the productivity of Nova Scotian firms. (p. 32)

- Two labour-management committees have been established by the Department of Labour and Manpower to examine the provisions of the Trade Union Act
- Department of Labour and Manpower has begun funding a labour-management discussion group on industrial relations through the Institute of Public Affairs at Dalhousie University
- Voluntary Planning has established a productivity committee including senior labour and management leaders

4. Cooperation Among Firms

1. The Nova Scotia government will encourage and assist firms to explore the full range of benefits that can be derived through cooperative efforts. Assistance will be provided toward the start-up costs of formal (and informal) associations of firms which will enhance the ability of Nova Scotian goods and services to compete outside the province. These organizations will be eligible for other industrial assistance programs such as the Consulting Assistance Program and the Trade Expansion Program. (p. 32)

- Department of Development is expanding support for cooperative efforts, including through the Consulting Assistance Program and the Trade Expansion Program

5. A Stronger Link Between the Private Sector and the Educators

1. The provincial government will stimulate the development and strengthening of ties between educational institutions and business and labour groups. (p.33)

- Action to be taken

6. Cooperation in the Community

1. Nova Scotia will enhance its support for the formation and operation of community development organizations where they offer reasonable prospects for aiding the local economy. (p.33)

- Through ongoing liaison with VP's Voluntary Associations for Community Development Sector, government is examining ways to better relate to local community organizations